

The leading specialist in international transport finance



**Interim Management Statement**  
during the first half of 2009

Interim Management Statement during the first half of 2009 pursuant to section 37 x (1) sentence 1 and 37 x (2) of the German Securities Trading Act (WpHG)

## DVB Group posts a solid start to 2009 – Interest margin hits all-time high

DVB has held its course, despite the challenging situation on financial markets and the impact of recession on the international transport sector. DVB's integration in the German Cooperative Financial Services Network led by DZ BANK provides DVB with access to so-called 'retail liquidity' generated by German cooperative banks. DVB can continue to rely on this solid funding base. DVB sustained the momentum in its new business, and thus managed to follow up on its successful track record of recent years with a profitable start to 2009.

Total **income** (comprising net interest income after allowance for credit losses, net fee and commission income, net income from financial instruments in accordance with IAS 39, results from investments accounted for using the equity method, and net other operating income/expenses) remained stable during the first quarter of 2009, at €63.3 million (down 0.6%).

New Transport Finance business totalled €1.12 billion during the first quarter (Q1 2008: €1.17 billion), with 39 new transactions. The average interest margin on new business originated by the three Transport Finance divisions reached an all-time high of 344 bp (Q1 2008: 161 bp). Even though this was a very positive development, it could not fully compensate for higher funding costs and, in particular, the significant impact of distortions on the money market, as a result of which DVB incurred additional expenses of €17.3 million. Due to these factors, net interest income declined by a marked 28.7%, to €30.1 million (Q1 2008: €42.2 million). Allowance for credit losses showed a net €0.4 million release (Q1 2008: net release of € 7.4 million). Accordingly, net interest income after allowance for credit losses fell to €30.5 million, down 38.5%.

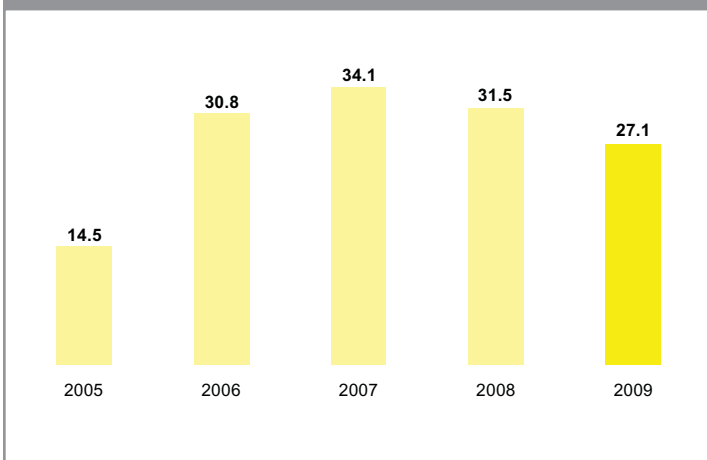
DVB's fee and commission-based business generates loan commissions from new Transport Finance exposures, as well as advisory fees. The net fee and commission income nearly tripled, from €13.5 million in the first quarter of 2008, to €32.9 million. This underlines the strong position held by DVB in structuring complex financing projects for its international clients, and in advising them. The commission-based business in Aviation Finance was especially successful, with the net figure up 152.7% to €15.4 million.

Net income from financial instruments in accordance with IAS 39 (comprising net trading income, the hedge result, the result from the application of the fair value option, the result from derivatives entered into without intention to trade, and net income from investment securities) showed a deficit that widened to €5.3 million (Q1 2008 saw a €0.9 million deficit). Against the background of the financial markets crisis, the figure especially reflects increased volatility on foreign exchange and interest rate markets.

**General administrative expenses** rose by 12.4% to €36.2 million. Staff expenses were up 16.7%, to €21.7 million, particularly due to the hiring of 45 additional Transport Finance/Investment Management professionals for the Bank's worldwide offices. In this way, DVB expanded its resources in good time to provide even closer support to its clients during this challenging market phase. At €14.5 million, non-staff expenses remained virtually unchanged (€+0.8 million).

The **result from operating activities before tax** declined by 14.0% during the first quarter, to €27.1 million.

**Result from operating activities before tax  
as at 31 March (€ mn)**



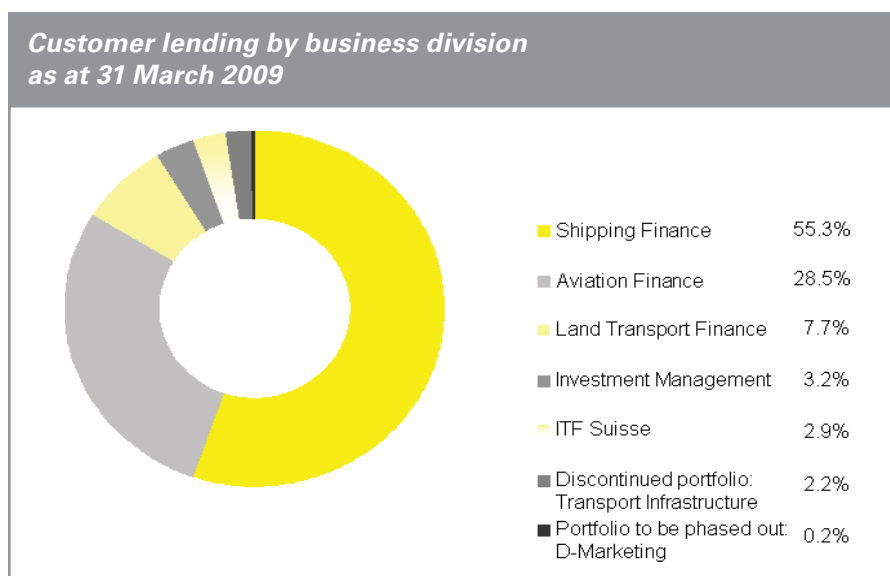
DVB reported **total assets** of €17.86 billion, up 2.8% as at 31 March 2009 (31 Dec 2008: €17.38 billion).

DVB's **nominal customer lending** (the aggregate of loans and advances to customers, guarantees and indemnities, and irrevocable loan commitments) totalled €19.56 billion – up 5.8% from the year-end 2008. In US dollar terms, customer lending volume only increased by 1.1%, to US\$26.03 billion. Once again, the different portfolio growth rates were due to fluctuations in the euro/US dollar exchange rate: since the end of 2008, the euro has weakened against the US dollar, from US\$1.39 to US\$1.33 as at the reporting date. Hence, the growth in customer lending was more pronounced in euro terms.

As in previous years, to minimise the impact of exchange rate fluctuations as a source of uncertain business results, the Bank hedged projected US dollar net income from interest and commissions.

<i>Development of customer lending</i>	€ bn			US\$ bn		
	31 Mar 2009	31 Dec 2008	%	31 Mar 2009	31 Dec 2008	%
Shipping Finance	10.81	10.48	3.2	14.38	14.59	-1.4
Aviation Finance	5.58	4.90	13.9	7.42	6.82	8.8
Land Transport Finance	1.52	1.51	0.7	2.02	2.11	-4.3
Investment Management	0.62	0.61	1.6	0.83	0.85	-2.4
ITF Suisse	0.56	0.51	9.8	0.74	0.71	4.2
Discontinued portfolio: Transport Infrastructure	0.43	0.43	0.0	0.58	0.60	-3.3
Portfolio to be phased out: D-Marketing	0.04	0.05	-20.0	0.06	0.06	0.0
<b>Total</b>	<b>19.56</b>	<b>18.49</b>	<b>5.8</b>	<b>26.03</b>	<b>25.74</b>	<b>1.1</b>

The distribution of customer lending (in euro terms) amongst the Bank's business divisions is as follows:



DVB's two strategic indicators, **return on equity before tax (RoE)** and the **cost/income ratio (CIR)** developed as follows:

RoE before tax declined by 6.8 percentage points, to 11.9% (Q1 2008: 18.7%). The CIR rose by 0.3 percentage points to 57.6%, (Q1 2008: 57.3%).

Calculated in accordance with Basel II, DVB's **tier 1 ratio** rose to 15.3% (31 December 2008: 13.9%), and the **total capital ratio** increased to 20.3% (31 December 2008: 18.2%).

Frankfurt/Main, May 2009

THE BOARD OF MANAGING DIRECTORS

## DVB Group Consolidated income statement (IFRS)

(as at 31 March 2009)

€ mn	1 Jan – 31 Mar 2009	1 Jan – 31 Mar 2008	%
Net interest income	30.1	42.2	-28.7
Allowance for credit losses	0.4	7.4	-94.6
Net interest income after allowance for credit losses	30.5	49.6	-38.5
Net fee and commission income	32.9	13.5	---
Net income from financial instruments in accordance with IAS 39	-5.3	-0.9	---
Result from investments accounted for using the equity method	1.2	0.0	---
General administrative expenses	-36.2	-32.2	12.4
Net other operating income/expenses	4.0	1.5	---
<b>Result from ordinary activities before tax</b>	<b>27.1</b>	<b>31.5</b>	<b>-14.0</b>
Income tax expense	-2.7	-4.6	-41.3
<b>Profit after tax</b>	<b>24.4</b>	<b>26.9</b>	<b>-9.3</b>
Minority interest	0.0	-0.2	---
<b>Consolidated net profit</b>	<b>24.4</b>	<b>26.7</b>	<b>-8.6</b>
Profit carried forward from previous years	0.0	0.7	---
<b>Distributable profit</b>	<b>24.4</b>	<b>27.4</b>	<b>-10.9</b>

<b>Earnings per share (€)</b>			
Basic earnings per share	0.53	0.68	-22.1
Diluted earnings per share	0.53	0.68	-22.1

<b>Key ratios (IFRS)</b>			
Cost/income ratio	57.6%	57.3%	0.3 pp
Return on equity before tax	11.9%	18.7%	-6.8 pp
Return on equity after tax	10.7%	15.9%	-5.2 pp

<b>Key ratios (German Commercial Code)</b>			
Cost/income ratio	53.9%	49.9%	4.0 pp
Return on equity before tax	12.1%	20.6%	-8.5 pp
Return on equity after tax	16.0%	17.3%	-1.3 pp

**DVB Group**  
**Consolidated balance sheet (IFRS)**  
(as at 31 March 2009)

<i>Assets (€ mn)</i>	<b>31 Mar 2009</b>	<b>31 Dec 2008</b>	<b>%</b>
Cash and balances with the central bank	20.2	642.9	-96.9
Loans and advances to banks	298.0	321.7	-7.4
Loans and advances to customers	15,413.5	14,321.7	7.6
Allowance for credit losses	-110.1	-107.7	2.2
Positive fair values from derivative hedging instruments	409.8	267.2	53.4
Financial assets held for trading	378.4	531.3	-28.8
Investment securities	158.4	130.2	21.7
Investments in companies accounted for using the equity method	25.0	30.3	-17.5
Intangible assets	104.5	104.6	-0.1
Property and equipment	980.1	984.9	-0.5
Income tax assets	83.0	79.1	4.9
Other assets	95.4	70.6	35.1
<b>Total assets</b>	<b>17,856.2</b>	<b>17,376.8</b>	<b>2.8</b>
<i>Equity and liabilities (€ mn)</i>			
Deposits from other banks	7,700.9	7,144.9	7.8
Deposits from customers	4,779.9	5,011.4	-4.6
Securitised liabilities	2,936.2	2,722.6	7.8
Negative fair values from derivative hedging instruments	305.6	308.0	-0.8
Financial liabilities held for trading	234.3	287.5	-18.5
Provisions	54.6	54.8	-0.4
Income tax liabilities	82.8	83.0	-0.2
Other liabilities	110.6	93.5	18.3
Subordinated liabilities	634.7	672.2	-5.6
Equity	1,016.6	998.9	1.8
Issued share capital	118.5	118.3	0.2
Capital reserve	334.2	335.2	-0.3
Retained earnings	569.2	537.7	5.9
thereof: fund for general banking risks	82.4	82.4	0.0
Revaluation reserve	-5.8	-5.0	16.0
Hedging reserve – cash flow hedges	-17.2	-15.1	13.9
Currency translation reserve	-1.5	-1.5	0.0
Distributable profit	24.4	27.9	-12.5
Minority interests	-5.2	1.4	---
<b>Total equity and liabilities</b>	<b>17,856.2</b>	<b>17,376.8</b>	<b>2.8</b>
<b>Customer lending volume (€ mn)</b>	<b>19,562.1</b>	<b>18,494.3</b>	<b>5.8</b>
<b>Basel II – Key ratios (Advanced Approach)</b>			
Core capital ratio	15.3%	13.9%	1.4 pp
Total capital ratio	20.3%	18.2%	2.1 pp